

SECRETARY OF DEFENSE WILLIAM J. PERRY
REMARKS WHILE VISITING U.S. TROOPS IN HONDURAS, AS REPORTED IN THE
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U.S. presence in Panama discussed

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SOTO CANO AIR BASE, Honduras — Defense Secretary William Perry, wrapping up a two-day visit to Panama on Saturday, said the United States might leave forces in the Canal Zone if asked by the Panamanian government.

The United States is to begin pulling out about 40 percent of the 10,000 troops stationed there in the next 18 months. Under the Panama Canal treaties, Washington has agreed to remove all forces and turn over all military installations to Panama by the end of 1999.

"We will meet our treaty commitments, which call for us to leave in

the year 2000," Perry said. "If the Panamanian government requests us to stay on, for reasons of, for example, regional stability, that's something we would certainly consider."

Washington's top concerns remain stability in the Central American region and a reduction of drug trafficking in the area, Perry said. If the United States is satisfied with Panama's policies on those issues, Perry said, it would be "in a positive position to come forward and consider such negotiations." But he added that such developments are "ahead of us by a good many years."

Perry made the remarks in an interview with ABC News released Saturday.

Just before departing for an hour-long visit with U.S. troops stationed at this base in Honduras, Perry paid a courtesy call Saturday on Panamanian Vice President Guillermo Ford and said afterward that the withdrawal is proceeding on schedule.

"We had very satisfactory discussions. Things are going smoothly and Vice President Ford and I agreed that, on a step-by-step basis, we're moving along very well," Perry said.

Gen. Barry McCaffrey, who is in charge of U.S. military operations south of Mexico, said it will be up to Washington and the new Panamanian government of President-elect Ernesto Perez Balladeres to hold discussions on whether there is any chance U.S. forces might remain.

The economic effect of a U.S. withdrawal could be significant because the Pentagon is Panama's largest employer. About 18,000 civilians, American and Panamanian, depend on the U.S. military installations for their incomes.

While in Honduras, Perry met with Vice President Walter Lopez and took a brief tour of the base here, which is used by about 700 Americans as a training installation and to support activities in other Central American nations.